

AN ACT

1  
2 relating to the provision of notice of proposed rules by state  
3 agencies.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 2001.024(a), Government Code, is amended  
6 to read as follows:

7 (a) The notice of a proposed rule must include:

8 (1) a brief explanation of the proposed rule;

9 (2) the text of the proposed rule, except any portion  
10 omitted under Section 2002.014, prepared in a manner to indicate  
11 any words to be added or deleted from the current text;

12 (3) a statement of the statutory or other authority  
13 under which the rule is proposed to be adopted, including:

14 (A) a concise explanation of the particular  
15 statutory or other provisions under which the rule is proposed;

16 (B) the section or article of the code affected;

17 [~~and~~]

18 (C) the bill number for the legislation that  
19 enacted the statutory or other authority under which the rule is  
20 proposed to be adopted; and

21 (D) a certification that the proposed rule has  
22 been reviewed by legal counsel and found to be within the state  
23 agency's authority to adopt;

24 (4) a fiscal note showing the name and title of the

1 officer or employee responsible for preparing or approving the note  
2 and stating for each year of the first five years that the rule will  
3 be in effect:

4 (A) the additional estimated cost to the state  
5 and to local governments expected as a result of enforcing or  
6 administering the rule;

7 (B) the estimated reductions in costs to the  
8 state and to local governments as a result of enforcing or  
9 administering the rule;

10 (C) the estimated loss or increase in revenue to  
11 the state or to local governments as a result of enforcing or  
12 administering the rule; and

13 (D) if applicable, that enforcing or  
14 administering the rule does not have foreseeable implications  
15 relating to cost or revenues of the state or local governments;

16 (5) a note about public benefits and costs showing the  
17 name and title of the officer or employee responsible for preparing  
18 or approving the note and stating for each year of the first five  
19 years that the rule will be in effect:

20 (A) the public benefits expected as a result of  
21 adoption of the proposed rule; and

22 (B) the probable economic cost to persons  
23 required to comply with the rule;

24 (6) the local employment impact statement prepared  
25 under Section 2001.022, if required;

26 (7) a request for comments on the proposed rule from  
27 any interested person; and

1 (8) any other statement required by law.

2 SECTION 2. Subchapter B, Chapter 2001, Government Code, is  
3 amended by adding Section 2001.0261 to read as follows:

4 Sec. 2001.0261. NOTICE TO CERTAIN PERSONS. (a) A state  
5 agency shall provide, on the same day the agency files notice with  
6 the secretary of state as required under Section 2001.023, notice  
7 of a proposed rule to each primary author, any joint author, each  
8 sponsor, and any joint sponsor of the legislation that enacted the  
9 statutory or other authority under which the proposed rule is to be  
10 adopted.

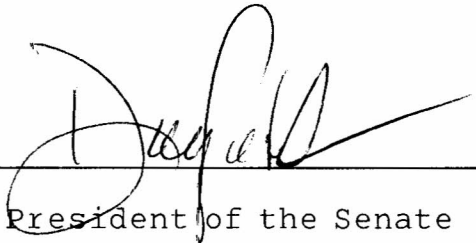
11 (b) The state agency shall provide the notice required under  
12 Subsection (a) electronically if the recipient of the notice has  
13 provided an electronic mail address to the agency for the purpose of  
14 receiving the notice.

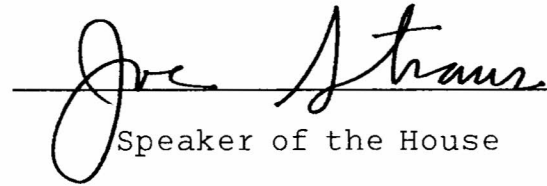
15 (c) Failure to provide the notice required under Subsection  
16 (a) does not invalidate a rule adopted by a state agency or an  
17 action taken by the agency under that rule.

18 SECTION 3. The change in law made by this Act applies only  
19 to a proposed state agency rule for which notice is filed with the  
20 secretary of state under Section 2001.023, Government Code, on or  
21 after the effective date of this Act.

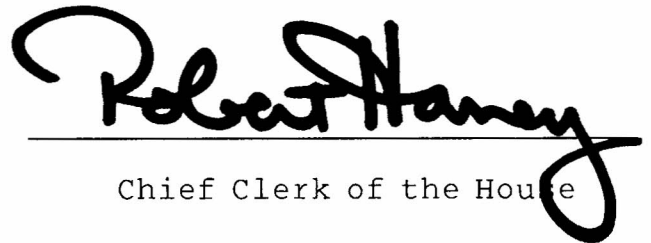
22 SECTION 4. This Act takes effect September 1, 2017.

H.B. No. 462

  
\_\_\_\_\_  
President of the Senate

  
\_\_\_\_\_  
Speaker of the House

I certify that H.B. No. 462 was passed by the House on May 4, 2017, by the following vote: Yeas 143, Nays 0, 2 present, not voting.

  
\_\_\_\_\_  
Chief Clerk of the House


I certify that H.B. No. 462 was passed by the Senate on May 24, 2017, by the following vote: Yeas 31, Nays 0.

  
\_\_\_\_\_  
Secretary of the Senate

APPROVED: \_\_\_\_\_  
Date

\_\_\_\_\_  
Governor

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
3 PM O'CLOCK

JUN 15 2017  
  
\_\_\_\_\_  
Secretary of State

**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**  
**41-3497**

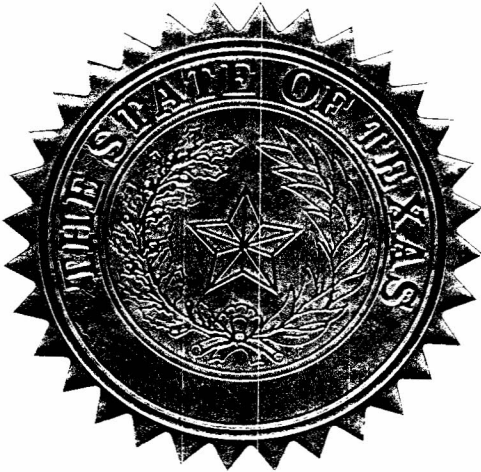
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TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Greg Abbott, Governor of Texas, do hereby disapprove of and veto House Bill No. 462 as passed by the Eighty-Fifth Texas Legislature, Regular Session, because of the following objections:

Agency rulemaking is an executive branch function, not a legislative function. Transparency in rulemaking is important, but it should not come at the expense of legislative encroachment on executive branch authority. Additionally, House Bill 462 has the potential to slow down the executive rulemaking process rather than enhance it.

Since the Eighty-Fifth Texas Legislature, Regular Session, by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 15th day of June, 2017.

  
GREG ABBOTT  
Governor of Texas

ATTESTED BY:



ROLANDO B. PABLOS  
Secretary of State

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
3 PM O'CLOCK

JUN 15 2017

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**May 7, 2017**

**TO:** Honorable Kelly Hancock, Chair, Senate Committee on Business & Commerce

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB462** by Dale (Relating to the provision of notice of proposed rules by state agencies.),  
**As Engrossed**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Government Code to require a state agency to provide notice of a proposed rule, on the same day the agency files notice with the Secretary of State, to each primary author, any joint author, each sponsor, and any joint sponsor of the legislation that enacted the statutory or other authority under which the proposed rule is to be adopted. It is assumed that any additional work to implement the provisions of the bill could be reasonably absorbed within current resources.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 307 Secretary of State

**LBB Staff:** UP, CL, LBO, SD

**LEGISLATIVE BUDGET BOARD  
Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**April 22, 2017**

**TO:** Honorable Gary Elkins, Chair, House Committee on Government Transparency & Operation

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB462** by Dale (Relating to the provision of notice of proposed rules by state agencies.),  
**Committee Report 1st House, Substituted**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Government Code to require a state agency to provide notice of a proposed rule, on the same day the agency files notice with the Secretary of State, to each primary author, any joint author, each sponsor, and any joint sponsor of the legislation that enacted the statutory or other authority under which the proposed rule is to be adopted. It is assumed that any additional work to implement the provisions of the bill could be reasonably absorbed within current resources.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:**

**LBB Staff:** UP, LBO, SD

**LEGISLATIVE BUDGET BOARD  
Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**March 26, 2017**

**TO:** Honorable Gary Elkins, Chair, House Committee on Government Transparency & Operation

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB462** by Dale (Relating to a report on legislation that includes a grant of rulemaking authority and rules adopted under that authority.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB462, As Introduced: a negative impact of (\$220,848) through the biennium ending August 31, 2019.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2018	(\$116,316)
2019	(\$104,532)
2020	(\$104,532)
2021	(\$104,532)
2022	(\$104,532)

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Change in Number of State Employees from FY 2017
2018	(\$116,316)	2.0
2019	(\$104,532)	2.0
2020	(\$104,532)	2.0
2021	(\$104,532)	2.0
2022	(\$104,532)	2.0

**Fiscal Analysis**

The bill would amend the Government Code relating to a report on legislation that includes a grant of rulemaking authority and rules adopted under that authority. The bill requires the Secretary of State (SOS) to prepare and submit a report to the Legislature no later than the 5th day of each



Regular Session that includes a summary of each act passed during the preceding session and any preceding special sessions that grants rule making authority. The report must include the full text of all rules adopted by all state agencies pursuant to the grant of rulemaking authority in each such act. The bill also permits the SOS to request assistance from Texas Legislative Council in preparing the report and requires Texas Legislative Council to provide this assistance.

The bill would take effect on September 1, 2017.

### **Methodology**

Under the provisions of the bill, the Secretary of State would incur costs associated with reviewing all passed legislation and new agency rules following regular and special legislative sessions. The agency indicates it would require \$220,848 and 2.0 additional FTEs for the 2018-19 biennium to identify acts passed during the most recent legislative session that grant rulemaking authority and review all new agency rules to determine if each rule was adopted pursuant to one of those acts. The \$220,848 would include \$104,532 in salaries and other staff-related costs each fiscal year and a one-time expense of \$11,784 in 2018 for equipment purchases. The agency assumes it would produce and transmit the report electronically, incurring no printing or postage costs.

Texas Legislative Council assumes any additional work associated with implementing the provisions of the bill could be absorbed using existing resources.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 103 Legislative Council, 307 Secretary of State

**LBB Staff:** UP, LBO, NV, ASa, RC, MW